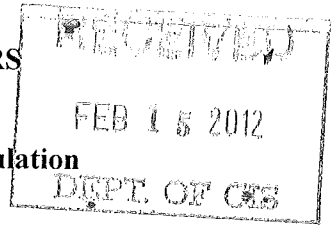


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STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
FEB 16 2012
OFFICE OF FINANCIAL AND INSURANCE REGULATION

OFFIR/000

Before the Commissioner of the Office of Financial and Insurance Regulation



In the matter of:

Office of Financial and Insurance Regulation

Enforcement Case No. 11-11164

Petitioner,

v

Patrick William Sherman, Sr.
System ID No. 0055501

Respondent.

_____ /

CONSENT ORDER AND STIPULATION

Issued and entered,
on 2-22, 2012,
by Annette E. Flood
Chief Deputy Commissioner

I.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Respondent Patrick William Sherman, Sr. ("Respondent Sherman") was a licensed resident producer with qualifications in Accident and Health, Life, and Variable Contracts. Respondent Sherman's insurance producer license was revoked on June 19, 2001. Respondent Sherman's solicitor license became inactive on March 31, 1990.
2. At all relevant times, Jacquelin G. Gordon ("Gordon") was a licensed resident producer with qualifications in Accident and Health, Life, and Variable Annuities.
3. On or about October 3, 2000, Respondent Sherman entered into a plea agreement with the United States Attorney on felony charges of fraud. The agreement states that he created a scheme to defraud, and by doing so obtained \$810,175.43 fraudulently.
4. On June 19, 2001, subsequent to the criminal action by the U.S. Attorney regarding the felony, a Final Decision was issued by the Commissioner revoking Respondent Sherman's resident producer license.

5. Subsequent to his release from prison, Respondent Sherman worked for Gordon at Oracle Financial Group (Oracle). At Oracle, Respondent Sherman was allowed to sell, complete and sign applications for annuities and insurance, despite no longer being licensed as an insurance producer, and not having been appointed as solicitor for Gordon.
6. Prior to April 18, 2006, Respondent Sherman sold an annuity to Complainant M. J. a/k/a M. B., underwritten by Allianz Life Insurance Company. The policy was delivered on April 18, 2006, showing Gordon as the agent.
7. On or about September 12, 2007, a request to liquidate the account was submitted for Complainant's annuity with Allianz.
8. Respondent Sherman made the request for liquidation without Complainant's consent. According to Complainant, as a result of the liquidation of the account, surrender charges were \$2,470.90.
9. On September 12, 2007, Respondent Sherman used the proceeds of the liquidated Allianz account to purchase an annuity from Aviva. He did so by forging Complainant's name to the required application. In addition, Sherman used Gordon's name as the agent on the application.
10. On February 8, 2008, Complainant sent a letter to Aviva informing them of Respondent Sherman's conduct. The application was withdrawn by Aviva.
11. Respondent Sherman sold insurance, completed applications, and signed them without a license, and without being appointed as a solicitor for Gordon pursuant to MCL 500.1212.
12. Based upon the documents received and reviewed by OFIR staff, Respondent Sherman violated MCL 500.1212(1), and gave cause for discipline pursuant to MCL 500.1239(1)(b), MCL 500.1239(1)(d), and MCL 500.1239(1)(h), which are grounds for REVOCATION under Section 1244 of the Code, MCL 500.1244.

II. ORDER

Based upon the Findings of Fact and Conclusions of Law above and Respondents' stipulation, the Commissioner ORDERS that:

1. Respondent shall CEASE and DESIST from violating the Michigan Insurance Code.
2. Respondent's resident insurance producer licenses issued pursuant to the provisions of the Michigan Insurance Code is hereby REVOKED.
3. Respondent shall CEASE and DESIST from engaging in any activity requiring licensure under the Michigan Insurance Code.

IT IS SO ORDERED

Dated: 2-22-12



Annette E. Flood
Chief Deputy Commissioner

III. STIPULATION

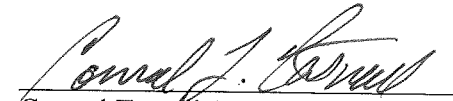
Respondent has read and understands the consent order above. Respondent agrees that the Chief Deputy Commissioner has jurisdiction and authority to issue this consent order pursuant to the Insurance Code. Respondent waives her right to a hearing in this matter if this consent order is issued. Respondent understands that this stipulation and consent order will be presented to the Chief Deputy Commissioner for approval and the Chief Deputy Commissioner may or may not issue this consent order. Respondent waives any objection to the Commissioner deciding this case following a hearing in the event the consent order is not approved. Respondent admits the findings of fact and conclusions of law set forth in the above consent order and agrees to the entry of this order. Respondent admits that both parties have complied with the procedural requirements of the Michigan Administrative Procedures Act (MAPA) and the Michigan Insurance Code (Code). Respondent has had an opportunity to review the Stipulation and Consent Order and have the same reviewed by legal counsel.

Respondent understands and intends that by signing this Stipulation, Respondent is waiving her right, pursuant to the Code, the rules promulgated thereto, and the MAPA, to a hearing before an administrative law judge, at which the OFIR would be required to prove the charges set forth by presentation of evidence and legal authority and at which Respondent would be entitled to appear to cross-examine all witnesses presented by the OFIR and to present such testimony or other evidence or legal authority deemed appropriate as a defense to said charges.

Dated: 2-13-12


Patrick William Sherman, Sr.

The Office of Financial and Insurance Regulation staff approves this Settlement Agreement and Stipulation and recommends that the Chief Deputy Commissioner accept it.


Conrad Tatnall (P69785)
Attorney

Dated: February 22, 2012